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CENTRAL INTELLIGENCE AGENCY

Memorandum



THE SITUATION IN SOUTH VIETNAM

(Information as of 1300 EDT)

17 Sept 1963

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SUMMARY

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Troops are somewhat less in evidence in Saigon, and the majority of the arrested Buddhists have probably been released from custody.

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prisoners suspected of active plotting or of contacts with the Viet Cong will be kept in jail, and that the regime will keep substantial security forces in and near Saigon to maintain order and guard against coup attempts.

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the crisis has probably made Nhu and Diem more sensitive to outside opinion, more cognizant of their dependence on the military, and aware that they can neither revert fully to the status quo ante nor rely on pure repression to deal with the domestic unrest.

There are continuing reports that Nhu may ask for the withdrawal of US advisers and seek an accommodation with Hanoi.

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to tell him that key generals will not tolerate such a deal. He says the generals have asked for several cabinet posts.

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Madame Nhu has told the press in Belgrade that she will reach New York about 1 October, and does not expect to confer with any high officials in Washington. Her intervening travel plans are unclear, and the length of her stay in the US depends on a cross-country speaking tour and her "whim."

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I. ASSESSMENTS

1. [redacted]
substantial security forces will be maintained in Saigon despite the lifting of martial law, to guard against unrest or possible coup attempts.

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[redacted] most of the Buddhists arrested in recent weeks now have been released, but that prisoners suspected of coup plotting or of connections with the Viet Cong will be kept in custody.

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[redacted] Diem and Nhu probably are not as insensitive to US and world opinion as some observers think. [redacted] probably are aware that they can neither revert to the situation as it existed before the Buddhist disorders, nor cope with internal dissatisfaction by pure repression. [redacted] the two leaders are aware of their increased dependence on the military, while military leaders at the same time are becoming aware of their ability to influence the regime.

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[redacted] officials in Saigon now consider it virtually impossible that Diem and Nhu can be separated, or that Madame Nhu can be silenced for any period of time.

2. [redacted] has told Ambassador Lodge that he considers US withdrawal from South Vietnam "unthinkable," and that even the North Vietnamese would be ready to settle for less.

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[redacted] feels that if Hanoi can obtain a trade agreement assuring it an adequate rice supply from South Vietnam, the DRV would agree to call off the guerrilla war in exchange for assurances that it would not be attacked by the US. (Comment: North Vietnam's food situation is not so desperate that its leaders would settle for continued US presence. Such negotiations, furthermore, would provide some delicate moments for the North Vietnamese, who maintain publicly that they have no control over the Viet Cong guerrillas.)

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II. THE REGIME

1. Troops remain in evidence in key Saigon population centers such as schools and markets, but have been withdrawn from some government buildings and utilities. [redacted] that one of the two airborne battalions on duty in Saigon has been pulled out. The alert for two other airborne battalions in the vicinity has been reduced from 100% to 50%, but they remain in standby reserve near Saigon.

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[redacted]
while general officers still are acting "within legality," they are increasingly concerned over evidence that Nhu may be negotiating for an accommodation with North Vietnam. [redacted] Nhu has told some general officers [redacted] that Polish Commissioner Manelli has presented a proposal for trade between the two Vietnams which is being studied. [redacted]

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[redacted] the generals have asked Diem for several cabinet posts and were told they would be answered after the 27 September election. [redacted] if the generals are turned down they will press in "other directions," and will not go along with Nhu on any program for neutralization or accommodation with Hanoi. [redacted]

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[redacted]
[redacted] students and faculty at the ARVN artillery school nearby are "very disturbed," claiming that the regime has lost touch with the people. Personnel at the school are reported to be listening to VOA and BBC as the only available sources of valid news about South Vietnam.

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IV. MILITARY SITUATION

1. Viet Cong, apparently in battalion strength of about 400 men, last night attacked four hamlets in the delta, according to press reports. The hamlets called in air support for attacks on guerrilla assembly points and withstood the assault, although two were reported still under attack at daybreak. Press reports said an estimated 100 Viet Cong had been killed, but did not indicate how the defenders could have made a body count.

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V. OTHER DEVELOPMENTS

1. Commenting on Pravda's 15 September editorial on South Vietnam, the US Embassy in Moscow notes that there are some "interesting omissions" in comparison with earlier Soviet pronouncements concerning a peaceful solution in Vietnam. Neither Moscow's statement last May nor the current Pravda article called for immediate withdrawal of US forces, but the Pravda piece omits earlier references to provisions in the 1954 Geneva agreements for unification of Vietnam through general elections, and to a possible neutral zone in Southeast Asia including South Vietnam.

The embassy believes Moscow may wish to dissuade Hanoi, Peiping, or the Viet Cong's Liberation Front from steps which might upset what the USSR probably regards as a favorably developing situation. Moscow may also have little taste at present for policies or moves which could increase Chinese Communist influence in the area.

2. South Vietnam's disaffected Foreign Minister Vu Van Mau left India for Switzerland on 15 September. He and his family have been given US visas.

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